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FM AMCONSUL JERUSALEM
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INFO ARAB ISRAELI COLLECTIVE
RHEHNSC/NSC WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RUEHBS/USEU BRUSSELS

UNCLAS JERUSALEM 000076

SIPDIS

SENSITIVE
SIPDIS

NEA FOR FRONT OFFICE; NEA/IPA FOR
WILLIAMS/SHAMPAINE/BELGRADE; NSC FOR ABRAMS/DORAN/WATERS;
TREASURY FOR SZUBIN/LOEFFLER/NUGENT/HIRSON; OPS PLEASE PASS
TO TRAVELING PARTY

E.O. 12958: N/A
TAGS: [ECON](#) [EFIN](#) [PGOV](#) [KWBG](#) [IS](#)
SUBJECT: PA EMPLOYEE STRIKE ENDS

REF: 2006 JERUSALEM 4893

11. (SBU) SUMMARY: THE PALESTINIAN AUTHORITY (PA) AND THE PA UNION OF PUBLIC EMPLOYEES ARRIVED AT AN AGREEMENT ON JANUARY 13 TO END THE PUBLIC EMPLOYEES STRIKE, WHICH BEGAN SEPTEMBER 2, 2006. THE PA PROMISED TO BEGIN IMMEDIATELY TO PAY ALL SALARY ARREARS AND CURRENT PAYMENTS, WITH DECEMBER SALARIES PAID IN FULL ON JANUARY 25. ACTING PA MINISTER OF FINANCE SAMIR ABU AISHEH TOLD THE PRESS THAT THE PA CONSIDERED ALLOWANCES PROVIDED BY THE TIM MECHANISM AS PARTIAL SALARY PAYMENTS TO PA EMPLOYEES. THE PA UNION OF PUBLIC EMPLOYEES AGREED TO ALLOW WORKERS TO RETURN TO WORK ON JANUARY 14. BY JANUARY 16, ACCORDING TO NEWS REPORTS, AN ESTIMATED 95 PERCENT OF PA WORKERS HAD RETURNED TO WORK. END SUMMARY.

BACK TO WORK

12. (SBU) THE PUBLIC EMPLOYEES STRIKE LAUNCHED ON SEPTEMBER 2, 2006 CAME TO AN END ON JANUARY 13 WITH THE SIGNING OF AN AGREEMENT IN RAMALLAH BETWEEN THE PALESTINIAN AUTHORITY (PA) AND THE PA UNION OF PUBLIC EMPLOYEES. PA DEPUTY PM NASSER AL SHAER AND PA UNION OF EMPLOYEES HEAD BASSAM SAKERNEH SIGNED AN AGREEMENT IN RAMALLAH ON JANUARY 13 THAT BROUGHT PA EMPLOYEES BACK TO WORK WITH ALL SALARY PAYMENTS AND ARREARS TO BE MADE OVER THE NEXT FOUR OR FIVE MONTHS. THE AGREEMENT STATED THAT PA EMPLOYEES WOULD RECEIVED THEIR DECEMBER SALARY PAYMENTS ON JANUARY 25.

13. (SBU) ACCORDING TO PRESS REPORTS, 50-60 PERCENT OF WORKERS RETURNED TO WORK ON JANUARY 14 AND BY JANUARY 16 AN ESTIMATED 95 PERCENT OF PA EMPLOYEES WERE BACK AT WORK.

TIM MECHANISM PAYMENTS

14. (SBU) ACTING PA MINISTER OF FINANCE SAMIR ABU AISHEH TOLD AL QUDS DAILY ARABIC NEWSPAPER ON JANUARY 11 THAT THE PA CONSIDERED ALLOWANCES PROVIDED BY THE TIM MECHANISM AS PARTIAL SALARY PAYMENTS TO PA EMPLOYEES, AND, ACCORDING TO NEWS REPORTS, THE CALCULATION OF SALARY ARREARS WILL REFLECT THIS.

SOURCES OF REVENUE

15. (SBU) ABU AISHEH TOLD MEMBERS OF THE PRESS ON JANUARY 13 THAT THE PA OFFICE OF THE PRESIDENT HAD AGREED TO FACILITATE THE TRANSFER OF THE MONEY DEPOSITED INTO AN ARAB LEAGUE

ACCOUNT BY PM HANIYYAH IN DECEMBER - FOLLOWING HIS UNSUCCESSFUL ATTEMPT TO BRING THE FUNDS THROUGH THE RAFAH CROSSING. THE OFFICE OF THE PRESIDENT AGREED TO HELP WITH THE TRANSFER IF SECURITY FORCES SALARY PAYMENTS ARE MADE WITH THESE FUNDS, ACCORDING TO PRESS REPORTS.

16. (SBU) ABU AISHEH STATED THAT THE USD 22.5 MILLION PLEDGED BY THE GOVERNMENT OF QATAR WILL BE USED TO PAY SALARIES OF PA EMPLOYEES OF THE MINISTRY OF EDUCATION (SEE REFTTEL). HE TOLD THE PRESS THAT ANOTHER SOURCE OF PAYMENT WILL BE DOMESTIC TAX REVENUES, WHICH SHOULD INCREASE ONCE THE PA STARTS PROVIDING SERVICES AGAIN.
WALLES